

SENATE BILL 1127
By Cooper

AN ACT to amend Tennessee Code Annotated, Title 66,
relative to certain liens.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The title of this act is, and may be cited as the "Consumer Protection Act of 2005".

SECTION 2. Tennessee Code Annotated, Section 66-21-103, is amended by adding the following language as a new, appropriately designated subsection:

(c) Within sixty (60) days of filing the lien with the register, the lienholder must so notify the owner of the affected property.

SECTION 3. Tennessee Code Annotated, Section 66-21-106, is amended by deleting the section in its entirety and by substituting instead the following:

If the plaintiff, complainant, lienor or owner of any lien filed and registered pursuant to this part fails, neglects or refuses to release a lien that is satisfied, within twenty (20) days after written demand of the defendant or lienee, then such person shall be liable for the penalty prescribed in § 66-25-102 for failure to release a mortgage on demand after the payment of the debt secured.

SECTION 4. Tennessee Code Annotated, Section 66-25-102, is amended by deleting the section in its entirety and by substituting instead the following:

(a) If the holder of any debt secured by real property situated in this state fails to enter a proper release of record, after having been fully paid or satisfied, within sixty (60) days from the receipt of a written request from the party making such payment, (including, but not limited to, the maker, the mortgagor, the purchaser of the property covered by such instrument or any closing agent or attorney who has collected and

transmitted funds for such payment), then the holder of the debt shall forfeit to the party making such request the sum of fifty dollars (\$50) per day calculated from the sixty-first day following receipt of the written request until a proper release of record is duly entered.

(b) If suit is instituted to collect the forfeiture, then the holder shall also be liable to the party instituting suit for all reasonable expenses, attorney fees, and the court costs incurred in the action.

SECTION 5. This act shall take effect July 1, 2005, the public welfare requiring it.